

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE**

Bureau of Individual Taxes
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August 16, 2005

Timothy Spiller, Esq.
Master, Weinstein, Schnoll & Dodig, PC
Ste. 3620
1818 Market St.
Philadelphia, PA 19103

Re: Estate of Robert W. Coleman
File Number: 5104A0193
Court Information:

USDC, E.D. of PA No. 04-4993

Dear Mr. Spiller:

The Department of Revenue has received the Petition for Approval of Settlement Claim to be filed on behalf of the above-referenced Estate in regard to a wrongful death and survival action. It has been forwarded to this Bureau for the Commonwealth's approval of the allocation of the proceeds paid to settle the actions.

Pursuant to the Petition, the 70-year-old-decedent died as a result of medical malpractice. Decedent is survived by one adult child.

Please be advised that, based upon these facts and for inheritance tax purposes only, this Department has no objection to the proposed allocation of the net proceeds of this action, \$ 173,435.96 to the wrongful death claim and \$ 19,270.67 to the survival claim. Proceeds of a survival action are an asset included in the decedent's estate and are subject to the imposition of Pennsylvania inheritance tax. 42 Pa.C.S.A. §8302; 72 P.S. §§9106, 9107. Costs and fees must be deducted in the same percentages as the proceeds are allocated. In re Estate of Merryman, 669 A.2d 1059 (Pa. Cmwlth. 1995).

I trust that this letter is a sufficient representation of the Department's position on this matter. As the Department has no objections to the Petition, an attorney from the Department of Revenue will not be attending any hearing regarding it. Please contact me if you or the Court has any questions or requires anything additional from this Bureau. Finally, the approval of this allocation is limited to this estate and does not reflect the position that the Department may take in any other proposed distribution of proceeds of a wrongful death / survival action.

Sincerely,

A handwritten signature in dark ink, appearing to read "H. McClintock".

Holly A. McClintock
Trust Valuation Specialist
Inheritance Tax Division
Bureau of Individual Taxes